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THE BIMETALLIST COMMITTEE OF BOSTON AND NEW ENGLAND.

ON February 5, 1894, there was held in Boston a meeting of gentlemen interested in the promotion of international bimetallism. They organized themselves into a committee, and issued the following declaration : —

The Committee is formed for the purpose of promoting the establishment of international bimetallism upon the general plan of the Latin Union, but with a broader basis. Those concerned in the movement, while earnestly opposed to the free coinage or to any increased use of silver by this country independently of international action and agreement, believe that the repeal of the purchase clause of the Sherman Act affords a fitting and fortunate opportunity for advancing the cause of international bimetallism. They believe that the day is not far distant when the necessities of commerce will compel an international use of silver as well as of gold in currencies throughout the world.

Fifty gentlemen signed this declaration, nearly all residents of Boston, and comprising in their number some of the best known business men in that capital,—bankers, manufacturers, merchants, railroad men, lawyers, and State and national officials, past and present. Few, if any, of them can be called mere theorists. The membership of the Committee is much increased since its origination, gentlemen from nearly all parts of New England being represented in it. No effort, whatever, has been made to swell the roll. Among those first approached, seven out of eight, if not nine out of ten, acceded at once ; and, since the publication of the above manifesto, letters have been received almost daily from persons wishing to join. The popularity of the movement has been surprising, and proves the mistake of those East and West who have supposed New England to be given over to gold monometallism.

A number of associate members have been admitted from other portions of the country, and it is likely that co-operating committees will be created in several cities. It is thought well, however, from every point of view, to make the organization a preponderantly Eastern affair, that it may not be

confounded with the league for free silver, which has so numerous supporters in the West.

In offering a brief account of the motives which led to this act of association, the writer has no authority to speak except for himself. It is to be presumed that not all the members were affected equally by any given line of consideration. With some, one argument would be decisive; with others, another. The general drift of their thought, however, is perhaps fairly presented in the following paragraphs.

The Committee does not propose to make use of any political agency, or to attempt to influence, otherwise than through public opinion, the action of the administration or of Congress. Its work is to be educational. It will endeavor to instruct the community in what it considers the only sound theory of hard money, that of international bimetallism, preparing the public sentiment of the country for the adoption of this so soon as Great Britain's concurrence can be secured. For this the committee does not think that the United States ought to sue. Great Britain is far more interested in the silver question than we, and, now that we no longer purchase silver, is rapidly coming to see that she must move for an amendment of the monetary situation, asking our assistance instead of our asking hers.

Why, then, it may be urged, should any action favoring bimetallism be taken in this country? For one thing, to assure the English bimetallists in their gallant and gaining fight, as well as their opponents, that in repealing the Sherman Act the United States has not abandoned the cause of silver full money, as the gold monometallist press in London and New York so assiduously represents. By the loyal and patriotic support which they gave to the effort for repeal, the bimetalists did not mean to imply the slightest faltering in their belief that the restoration of silver is indispensable to the proper progress of civilization. They view the advance of gold monometallism as a grave threat to production and trade, to the welfare of the masses, and even to the stability of society; and they consider that no small part of the industrial and social suffering of the past twenty years is traceable to this cause.

These convictions needed public expression for another reason. The persistent effort of certain Eastern newspapers to represent our cessation of silver purchases as the final doom of silver has had a most unhappy effect upon the South and the West. It has led people there to think of the East as opposing the coinage of silver, free or restricted, national or international, at any ratio. From the painful effects of dear gold, coupled with the conviction that the East was resolved to rivet and perpetuate these, there was fast arising an intense and angry sectionalism, which boded the republic no good. The rapid multiplication of Populists is one sign of this. Much fanaticism doubtless attaches to that movement, yet it may be more rather than less dangerous on that account.

The Committee is not unaware that its existence and work may be construed as an encouragement to the ultra silver party. Why, it is said, are you willing to encourage a policy which you admit to be unsafe? The reply to this is that some of the premises of the free silver doctrine are irrefragable, and that it is every way much more prudent to admit than it is to deny the truth of these. In contending that gold has immensely appreciated since 1873, and that this, with the fall of general prices which it involves, is a terrible evil, our Western friends are perfectly right. To this extent the facts, the logic, the ethics, of the situation, are with them; and they know it. Only their proposed remedy is to be criticised. Moreover, they are, as a class, quite as honest and patriotic as those who oppose them. If we would bring them to reason, our obvious policy is to admit whatever is good in them and in their views. This attitude of the bimetallist committee has already proved wise, as is known by numerous communications received from the West. The power of the extreme silverites is broken. Their party is divided. Many who have hitherto adhered to them subscribe to our platform, admitting that it is unwise to attempt "home bimetallism" so long as there is any reasonable hope of making bimetallism international.

Nothing else so confirms the radical silverites in their course as the expression by papers and public speakers in the East of

the conviction that no international mintage agreement can ever be secured. No other line of representation so intensifies the silver craze. The impossibility of international co-operation in monetary policy,—that is exactly what the most zealous silver organs and advocates have been reiterating for years. Why wait for England? What have we to do with France or Germany? During a recent visit to the silver States such questions rang in the writer's ears wherever he went. It is safe to say that, if the gold papers should succeed in convincing the West and South that other nations will never join us in coining silver, they would do more to place this country on a silver basis than can be accomplished in any other way.

The above were probably the chief prudential reasons for the rise of the Bimetallist Committee. Other considerations reached over more into the realm of theory. It is taken for granted that gentlemen desiring the "establishment of international bimetalism upon the general plan of the Latin Union" accepted in all its main outlines the bimetalist theory of hard money and the usual reasonings in favor of remonetizing silver. It is not proposed to repeat these here. Such gentlemen were of course unable to deny the progressive scarcity of gold, or to see much force in the well-known arguments for gold monometallism. Their difficulty with this line of reasoning we will not now take up. There is, however, much evidence favoring bimetalism, so new that it has not yet been publicly discussed in America by either party to this controversy, which has had much to do with the origination of the Committee. The remainder of the present article will give a glance at a few representative items of this new evidence.

There is impressive evidence proving that, at least until late in 1893, silver has not depreciated,—not lost in value; that, therefore, there has been a fall in general gold prices, an appreciation of gold, which has proceeded almost altogether from the decreased supply of that metal and the enhanced demand for it, and but little from intrinsic cheapening in cost of production. The steadfastness of silver value has long been known, so far as concerned India and Mexico;

but it is now certain that the metal has held its own quite as well in China. The *Journal of the Royal Statistical Society*, London, for December, 1893, contains upon this subject a most interesting and valuable article. It is from the Foreign Office Report No. 305, 1893, of Mr. G. Jamieson, her Majesty's Acting Consul-General at Shanghai, who has studied Chinese trade for many years and under most favorable conditions. His investigations assure him that China has not made any net import of silver from Western markets for a number of years, but has exported instead, though not largely.

The view that silver has not since 1870, at least until the closing of the Indian mints, lost in value, is in a remarkable manner borne out by Mr. Jamieson's researches. I quote:—

1. As regards articles which are both produced and consumed in China silver prices have, on the whole, tended to decline. There is a moderate rise in a few articles, principally foodstuffs; but all over there is a decline of about 9 per cent.

2. As regards articles of native origin exported to foreign countries, the silver price has not advanced with the fall of exchange. Prices, on the whole, are almost exactly on the level of the years 1870 to 1874.

3. As regards articles of foreign manufacture or production imported for sale in China, the average price in silver has declined very considerably. The Chinese can now obtain their supplies at a less cost even in silver than they could twenty years ago by some 26 per cent. In other words, the purchasing power of silver has not declined in respect to any of the classes of commodities, and has even considerably increased in respect of the first and last classes.

This proves silver's stability in value for the world at large, as well as for China, and in the following manner. China produces two staples, tea and silk, which are in demand everywhere; while silver, ever welcome in that immense country, has been perfectly at liberty to flow thither in exchange for these staples. Had silver bullion lost aught of its purchase power in America or in Europe, nothing on earth could have hindered it from going to China in vast quantities, such as to have made it less valuable there as well,—a phenomenon which must have revealed itself in higher prices in China. That this has not occurred is striking evidence that, at any rate till quite recently, what most have been calling depreciation of silver

has been, strictly and scientifically considered, the appreciation of gold.

Professor Lexis, of Göttingen, followed by Mr. Hans Forssell, of Sweden, who delivered an able address on the subject before the Brussels Conference, fears that the friends of silver full money do not sufficiently notice the progressive scarcity of gold. Lexis expresses the conviction that, supposing a bimetallic league of States, gold, even if rated very high in comparison with silver, might in the course of years attain a premium, not through any drain from without the league, but by pressing demand within. In the view that gold is henceforth to become more and more scarce, all experts concur. However, the considerable new output of gold the past year, nearly certain to continue for a decade or two, is sufficient to deprive Lexis's scruple of all weight, while not affecting at all the desirableness of remonetizing silver.

In an article in the *National Review* for December, 1893, Mr. Moreton Frewen, a specialist upon the subject treated, presents the following : —

A single camp in the Transvaal, unknown seven years since, is now producing each month as much gold as either the United States or Australia. The returns of the Johannesburg gold-fields show this remarkable increase : —

<i>Year.</i>	<i>Total Annual Average, Ounces.</i>	<i>Monthly Output, Ounces.</i>
1888	230,189	19,182
1889	369,551	30,796
1890	494,810	41,234
1891	729,233	60,769
1892	1,210,865	100,905

The returns for the twelve months of 1893 have been as follows : —

	<i>Ounces.</i>		<i>Ounces.</i>
January	108,374	July	126,169
February	93,252	August	136,069
March	111,474	September	129,585
April	112,053	October	136,682
May	116,911	November	138,640
June	122,907	December	146,357
		Total,	1,478,473

And, unlike the quickly exhausted supply of alluvial gold from the riverbeds of California and Australia, these African mines, which have been

proved with the diamond drill to a great depth, may be counted on to show an increasing production for at least a generation to come. To northwards also of the Boer Republic the various gold-fields of Mashonaland are now attracting the greatest interest to a region the conditions of which are admirably suited to Anglo-Saxon colonization. The quartz veins near Victoria, it should be added, are on the contact of granite with slate,—a formation which, in Grass Valley, California, and elsewhere, has been found to carry gold to an immense depth.

And not only are discoveries in these new gold-fields of extreme importance at the present crisis, but the scientific development of the next few years, in connection with the cheap reduction of gold ores, may probably offer quite a new future to what has hitherto been a too precarious and speculative industry. While the recent purely mechanical improvement in the separation of gold from pyritic ores in itself heralds great changes not as yet at all adequately recognized, yet it is only when we arrive at the conjunction of chemistry and electricity that the coming evolution in the metallurgy of gold really commences to unfold itself. It is doubtful whether even the great African gold-field could be worked at a profit but for the discovery that cyanide of potassium is a cheap solvent of those fine particles of gold which would otherwise float away with the "tailings," and be lost. At the present time not less than £100,000 monthly is being secured at Johannesburg by the use of cyanide; and as yet the application of cyanide is of the crudest and most wasteful kind. It has recently been discovered that, by the induction of an electric current into the cyanide solution, not only is the solvent power of cyanide greatly energized, and the cyanide, by the internal introduction of hydrogen, also protected against decomposition of those baser metals generally contained in gold ores, but, in addition to this, the gold which has been absorbed into the solution is again quickly metallized by the electric current, and precipitated rapidly on an amalgamated copper bottom without the necessity of zinc or any other reagent.

Much has been made of the fact that gold monometallism spreads as it does from country to country. Soon after Germany demonetized silver, the Latin Union ceased coining it for standard money, as did Russia and Holland. The Scandinavian States went further, extruding it from their currency altogether, save for subsidiary coins. Roumania later followed this example, and, still later, Austria. Holland plants her colonies as well as herself upon the yellow metal, and now Great Britain attempts the same with her immense Indian empire. People point to this steady march of the sole gold system as if it were beyond question a phase of advancing civilization. Commerce, it is declared, is tired of silver; only gold will satisfy it. This is a natural law of progress, and it is irrational as well as useless to oppose it.

History has been reread since this thought gained currency, and has shown it to be an illusion. Gold monometallism has not been spread by any rational conviction, but by perverse legislation. The adoption of gold as the sole ultimate money by any considerable group of commercial nations compels contiguous States to follow, whether they will or not, irrespective of the rationality or intrinsic desirableness of the change.

No doubt, since Europe closed its mints to the white metal, the gold system has obtruded itself upon one country after another in a perfectly natural manner; but this in no sort proves that the process was wisely begun. Disease works as naturally as health, devolution as evolution. The truth seems to be that, however natural what has followed, the demonetization of silver was not natural or the result of thought, but the reverse. The policy was not debated, but entered upon in entire blindness. Neither in England, in Germany, nor in the United States, the lands where it was inaugurated, was any legislator at the time awake to the stupendous significance of the act. Hardly a man in public or in private life then so much as dreamed of its grave and far-reaching consequences.

The statement which one hears so often now, regarding the progress of wealthy countries from silver to gold, was not the belief of Locke, who declared that "gold is not the money of the world, or measure of commerce, nor fit to be so." Sir Isaac Newton and Ricardo also give no countenance to that modern fancy. It had birth in the imagination of the first Lord Liverpool, who gives us to understand that the English people, by general consent and without any influence from public authority, had by 1698 come to prefer silver to gold. The noble lord was entirely mistaken in this, as Dana Horton and Sir David Barbour, following Ricardo and Lord Ashburton, have shown. Ricardo explicitly says that the English took up gold, not because better fitted than silver for the business of a rich country, but because the English law overvalued gold, making it hard for silver to circulate. The English preferred gold during the eighteenth century only in the sense in which the people of the United States preferred it after 1834, and before that date preferred silver. So ignorant was England then of monetary history and theory that the second Lord

Liverpool had no difficulty in foisting his father's error upon Parliament. Silver was demonetized, and Great Britain thus started upon a false track. The French mint, so near, doing bimetallic work for both nations, prevented the evil from at once revealing its virulence; and the high career of Great Britain commercially, prepared for when the nation was bimetallic, evolved through association the baseless idea that gold money and commercial greatness had some logical connection.

In 1872-73 this idea greatly influenced Germany in favor of laying silver aside; though with it wrought also certain other motives, such as the wish for simplicity in monetary system, dislike of France, and, most of all, what so strongly inclined the Paris Conference of 1867 toward gold monometallism, the then plentifulness of gold. Demonetization of silver by the United States in 1873 was also motivated largely by the example of England and the thought of simplicity. That no partner to the deed understood or had seriously considered its bearings has since been abundantly proved. It is thus quite certain, I believe, that the ostracism of silver began in ignorance, not at all in that circumspection and deliberation which must have marked it, had it been a true instance of economic evolution, like the discarding of stage-coaches or the abolition of slavery.

E. BENJ. ANDREWS.

BROWN UNIVERSITY, March 16, 1894.